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Department of the Treasury
Washington, DC 20224

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact: _____, ID No. _____

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Refer Reply To:
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Date:
October 31, 2012

Legend

Taxpayer =

Trust =

Advisor =

a =b =C =d =
$$\underline{e} =$$
$$\underline{f} =$$
$$\mathbf{g} =$$

h =

State A =

Date 1 =

Date 2 =

Date 3 =

Date 4 =

Year 1 =

Year 2 =

Dear

This letter responds to your authorized representatives' letter dated April 23, 2012 requesting rulings under section 382 of the Internal Revenue Code. The information provided in that letter and in later correspondence is summarized below.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Summary of Facts

Trust is a State A business trust. Taxpayer is a series of the Trust and is an open-end investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended (the "1940 Act") and the Securities Act of 1933. Taxpayer has qualified as a regulated investment company under Subchapter M of the Code during each of its taxable years and intends to continue to qualify as such.

As an open-end investment company, Taxpayer is required by section 5(a)(1) of the 1940 Act to redeem its shares, at the net asset value per share, at the request of its shareholders. Pursuant to section 22(e) of the 1940 Act, any such shares presented for redemption must normally be redeemed within seven days after such security is tendered. In addition, Taxpayer continuously offers to sell its shares to the public at the net asset value of such shares.

Taxpayer and certain other mutual funds (the "Other Public Funds," and together with Taxpayer, the "Public Funds"), contract with Advisor to act as the investment adviser for each Public Fund. Each Public Fund has a board of trustees that is responsible for the overall supervision and management of its respective Public Fund. Prior to Year 1, each Public Fund's board of trustees was comprised of the same group of a trustees, b of who were independent from and unrelated to Advisor (Trustees Group 1). Currently,

some of the Public Funds have a board of trustees that is comprised of g trustees, h of who are independent from and unrelated to Advisor and each such board of trustees is comprised of the same individuals (Trustees Group 2). The other Public Funds currently have a board of trustees comprised of a trustees, b of who are independent from and unrelated to Advisor and each such board of trustees is comprised of the same individuals (Trustees Group 3). Each Public Fund generally invests in a particular type of asset, for example, domestic equity, international equity, or domestic bonds, and generally holds those assets directly. Each Public Fund is open to investment by the public at large.

In addition to public investors, Taxpayer's shareholders also included a series of target date mutual funds (individually, a "Fund" and collectively, the "Funds"). Each Fund also contracts with Advisor to act as the investment adviser. Each Fund has a board of trustees that is responsible for the overall supervision and management of its respective Fund. Prior to Year 1, each Fund's board of trustees was comprised of Trustees Group 1. Currently, each board of trustees is comprised of Trustees Group 2.

Advisor has developed an overall asset allocation strategy (strategy) that each Fund uses. The strategy provides for investing in broad categories such as domestic equity, international equity, bonds, and government securities in certain ratios depending on the proximity of the Fund's target-date. In general, the closer a Fund's target date the greater the ratio of the Fund's investments in lower risk fixed income assets and the farther away the target date the greater the ratio of the Fund's investments in higher risk equity assets. The Funds invested in Taxpayer, along with similar Other Public Funds, to satisfy a component of the asset allocation strategy; that is, to invest in the appropriate ratio in the applicable broad category given the Fund's target date. Each Fund's investment ratios will change as time passes in accordance with the presumed changes in investment objectives of the Fund's shareholders under the strategy, such as from growth to retention, as the Fund's target date gets nearer.

Prior to Year 2, the Funds invested exclusively in the Public Funds to satisfy their asset allocation strategies. No Fund was required to invest in Taxpayer; however, the majority did invest in Taxpayer. The amount of stock each Fund acquired in Taxpayer depended on the aggregate amount of assets each Fund had available for investment and the percentage of assets allocated to stock in Taxpayer pursuant to the Fund's specific allocation strategy.

In Year 2, while Trustees Group 1 was still the board of trustees for each of the Funds, the board of trustees of each Fund, based on the recommendation of Advisor, approved an overall plan to launch funds that would be owned by the Funds exclusively (new funds). It was anticipated this would give each of the Funds more control over the underlying investments made by the new funds than they currently had with the Public Funds. On Date 1, the board of trustees for each Fund, now comprised by Trustees Group 2, approved the formation of new funds that would invest in assets similar to

those in which Taxpayer invests. Beginning on Date 2, the Funds began transitioning assets out of Taxpayer and into the new funds. To effect the transition, each Fund made one or more demands upon Taxpayer to redeem its stock in Taxpayer. Each redemption was made pursuant to the terms of the instruments the Funds held in Taxpayer. The redemptions occurred over a period of d months, with the final redemption occurring on Date 3.

The Funds' largest aggregate percentage ownership in Taxpayer occurred in Date 4. Of the d Funds that invested in Taxpayer, e were 5-percent shareholders of Taxpayer, owning in the aggregate at most f percent of Taxpayer. The remaining Funds at all times each held less than 5 percent of the stock in Taxpayer. Aside from the e Fund 5-percent shareholders, Taxpayer had no other 5-percent shareholders during this time. All other shareholders, including some of the Funds, were members of Taxpayer's public group.

Representations

Taxpayer makes the following representations:

- (a) Taxpayer's redemptions of its shares held by each Fund were at the demand of that Fund, pursuant to the terms of the shares owned by that Fund in Taxpayer.
- (b) The investments made by the Funds in Taxpayer, and in the Other Public Funds, were made as a result of the individual strategy of each specific Fund based on their target dates and their allocation strategies.
- (c) The tax position of Taxpayer (or any of the Other Public Funds) did not impact the timing or amounts of the redemptions.
- (d) No Fund acquired any shares of Taxpayer for the purpose of gaining control of Taxpayer.
- (e) No Fund acquired any shares of Taxpayer for the purpose of accumulating ownership, together with any other Fund, of any particular minimum percentage of the total outstanding securities of Taxpayer.

Rulings

Based solely on the information provided and the representations made, we rule as follows:

- (1) Neither the Funds together nor any subset of the Funds (consisting of two or more Funds) were an entity within the meaning of Treas. Reg. § 1.382-3(a)(1).

- (2) Taxpayer's redemption of the Funds' shares in Taxpayer pursuant to the terms of such redeemed shares were redemptions made in the ordinary course of business for purposes of Treas. Reg. § 1.382-3(k).

Caveats

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

Procedural Statements

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Mark S. Jennings

Mark S. Jennings
Branch Chief, Branch 1
Office of Associate Chief Counsel
(Corporate)